



MINUTES

PCAPCD Board of Directors Meeting

Thursday, August 9, 2018, at 2:30 PM

NOTE CHANGED LOCATION:

Auburn City Hall, City Council Chambers

1225 Lincoln Way, Auburn, California

Call to Order: 2:30 p.m.

Flag Salute: Led by Director Nader

Roll Call / Determination of a Quorum

Present: Daniel Berlant, Steve Harvey, Scott Alvord, Stan Nader, Joe Patterson, Jeff Duncan. (NOTE: Stan Nader left meeting at 3:30 p.m., leaving a quorum still present for remaining action items 5, 6 and 7)

Absent: Jennifer Montgomery, Robert Weygandt, Jim Holmes

Approval of Minutes: June 14, 2018 Regular Meeting

Motion: Nader/Harvey

Action: Unanimously Approved

Public Comment: No public comment.

Consent: Items 1 and 2

Item 1 was removed from the consent agenda, at the request of City of Roseville staff. Consent item 2 was approved with actions as indicated below.

- 2. Conflict of Interest Code Amendment.** *Adopted Resolution #18-13, thereby approving the incorporation and amendment of the Fair Political Practices Commission's Model Conflict of Interest Code as the local Conflict of Interest Code of the Placer County Air Pollution Control District.*

Motion: Berlant/Nader

Action: Approved Consent Item 2 Unanimously

Item 1, Removed from Consent Agenda

- 1. Alternative Fuel Infrastructure Projects Competitive Review and Evaluation Process for the Carl Moyer Program.** *Approved, for the Carl Moyer Program, the proposed competitive bid and solicitation process for alternative fuel project applications; and authorized the Air Pollution Control Officer (APCO) to amend or revise as necessary the Alternative Fuels Ranking Form in order to ensure an effective solicitation and review process.*

Ms. Kuklo provided a review of the District's proposed alternative fuel infrastructure projects evaluation process under the Carl Moyer grant program. Eligible Infrastructure projects include battery charging stations (non-residential), natural gas and hydrogen fueling

stations, stationary agricultural pump electrification, and shore power (shore-side electrification). Moyer Guidelines require that publicly accessible alternative fuel projects be subject to a competitive bid process. In an effort to streamline the review process and to keep a fair and even playing field when evaluating alternative fuel grant projects, they will be subject to the competitive bid process and will be scored using the provided Alternative Fuels Project Ranking Form (except agricultural pump electrification projects, which are unique). She noted that the District has incorporated suggestions from Roseville on the review form with regards to providing additional credit for projects with power sources not derived from fossil fuels.

Motion: Patterson/Nader

Action: Approved Item 1 Unanimously

Public Hearing / Action: Item 3

- 3. Proposed Final Budget FY 2018-19.** *Conducted a Public Hearing for the purpose of reviewing the District's Fiscal Year 2018-19 Proposed Final Budget; and Adopted Resolution #18-11, thereby approving the District's budget for Fiscal Year 2018-19.*

Ms. A.J. Nunez presented the FY 2018-19 Proposed Final Budget in accordance with Health and Safety Code 40131(3)(A). She stated that the District continues its philosophy of budgeting revenues conservatively and expenditures that are adequate to cover costs with a small amount for contingencies.

Ms. Nunez explained that the District budget is organized into five funds: the Operations Fund, DMV Fund, Mitigation Fund, Black Carbon Research Fund and Wildfire Mitigation Fund. The Settlement Fund and the Litigation Cost Recovery Fund that total about \$1.7 million dollars are not shown in this budget, and can only be used at the discretion of the Board. The interest from these two funds is included in the District's budget.

Ms. Nunez reported that the Proposed Final Budget for FY 18-19 is \$7.5 million, consisting of FY 18-19 total projected revenue of \$4.8 million, combined with the FY 17-18 fund carry-over of approximately \$2.7 million. Proposed expenditures total \$6.7 million, mainly due to the \$2.9 million in grant monies that will be made available in FY 18-19.

Ms. Nunez noted that the anticipated Operations Fund Carry-Over at the end of FY 18-19 is \$721,000, which provides approximately 18% of the FY 18-19 budget. The National Advisory Council on State and Local Budgeting recommends an Operations Fund Carry-Over of between 5 to 15% and state that it is essential to maintain levels of fund balance to mitigate current and future risks. This increase in the Operations Fund Carry Over to 18% is in keeping with the District's five year plan to have sufficient funds to cover increased costs related to CalPERS, Staff and retirement Costs as well as General increases.

Ms. Nunez provided information on the grant funding for FY 18-19, which includes the six new grants that the District will administer: Community Air Protection Program for

monitoring; school bus funding; emission Inventory development; NOx reduction; Moyer; and Moyer Reserve.

Ms. Nunez stated that the District is required by the Health and Safety Code Section 40131 to hold a public hearing for the purpose of reviewing the budget and providing the public with the opportunity to comment on the proposed District budget, and that the District recommends the approval of Resolution #18-11, adopting the District Budget for FY 18-19.

Director Patterson asked if the increased costs associated with employees retiring will be seen in future annual budgets. Ms. Nunez confirmed this. He also asked if sick leave is paid as a cash-out upon separation. Ms. Nunez responded that earned sick leave balances for County employees are converted to the retirees' paid health program which covers group medical insurance premiums upon retirement.

Director Harvey stated that there is usually a difference between what the California Public Employees' Retirement System (PERS) estimates and what is actually owed, and asked if the District is amortizing that. Ms. Nunez answered that the District's five year budget analysis maps out the PERS discount rate reduction and includes increases over the next five years in order for the District to cover these costs. Director Harvey asked if the District will be able to pay the whole thing off in five years. Ms. Nunez confirmed that the district will be able to meet the required ARC payment for OPEB. Mr. White added that the District has taken steps to help cover additional retirement costs, including incentive administration funds, fee revenues, operations cuts/efficiencies, and the Information Technology project.

Director Patterson asked if there is a mechanism in place for the District to pay its PERS cost obligations in advance. Mr. Erik White responded that the District can ask Andy Sisk, County Auditor, to join us at a future meeting before the next budget approval, to clarify this and other questions related to PERS.

Motion: Berlant/Duncan

Action: **Approved Item 3 Unanimously**

Action / Closed Session: Item 4

- 4. Air Pollution Control Officer's Performance Evaluation.** *Held a closed session, pursuant to Government Code §54957(b)(1), and completed the annual performance evaluation of the Air Pollution Control Officer, Erik White, for the period August 10, 2017 through the present.*

Public comment was requested prior to adjourning to closed session. No comments were received. Upon return from closed session, Chair Alvord reported that a performance evaluation was completed for Air Pollution Control Officer, Erik White.

Action: Items 5 – 6

- 5. Authorization and Acceptance of Funds for California Air Resources Board Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Agreement, and Authorization to Implement FARMER Program.** *1) Adopted Resolution #18-12, thereby authorizing the District to accept funds for and execute the California Air Resources Board FARMER Program Agreement; and authorizing the Air Pollution Control Officer to negotiate, sign, and amend as needed, agreements and contracts to implement the FARMER Grant Program; and 2) Authorized Erik White, A.J. Nunez, and Todd Nishikawa to approve charges for the County of Placer Funds, Subfunds and Appropriations designated to the FARMER Program, via Board Chair Scott Alvord's Signature on the Special District Signature Authorization Form.*

Mr. Erik White presented information about the FARMER Program, which the District is proposing to implement on behalf of 18 local air districts which did not receive direct allocations of the \$135 million in agricultural emission reduction funds appropriated by the state legislature. These funds are allotted to support the replacement of agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment. \$5.5 million in funding is available to these 18 air districts. The California Air Pollution Control Officers Association (CAPCOA) will also share in the role of program implementation, via soliciting projects, performing proposal review, and reporting. There will also be a Memorandum of Understanding with the County Auditor to handle funds and identify roles and responsibilities. The program will provide 12.5% for administrative costs, which includes 2% for District, 1% for CAPCOA, and 9.5% for air districts which will issue the grants. The funding for the projects is expected to commence late fall.

Chair Alvord asked about El Dorado County Air Quality Management District's (EDCAQMD) role in the FARMER Program. Mr. White explained that EDCAQMD will contract with the final agricultural grant recipients in Placer County, in addition to contracting for their own El Dorado County grants. This removes Placer County Air Pollution Control District's conflict of interest as the overall FARMER Program administrator which contracts with the air districts. In addition, CAPCOA is responsible for reviewing the various agricultural grant proposals.

Motion: Duncan/Harvey

Action: Berlant, Harvey, Alvord, Patterson, and Duncan Approved Item 5 Unanimously (Stan Nader was not present for vote)

- 6. Amendment to the Policy regarding Land Use Air Quality Mitigation Funds.** Approved proposed amendment to the Land Use Air Quality Mitigation Funds policy.

Ms. Heather Kuklo presented the District's proposal to revise its existing Land Use Air Quality Mitigation Funds policy. The Policy provides a voluntary alternative for developers of land use projects to indirectly offset a project's related emissions (ROG, NOx, PM, and GHG) through the District's mitigation program. The Policy establishes guidelines on how mitigation funds are received and distributed. The proposed amendments will allow the

District to administer mitigation funds for grant projects independently from the District's Moyer Program; incorporate CAG Guidelines in order to provide direction on how project applications will be evaluated and selected for funding; require that each selected mitigation funding project receive Board approval; and incorporate updates from the related Board CEQA actions

Motion: Berlant/Patterson

Action: **Berlant, Harvey, Alvord, Patterson, and Duncan Approved Item 6 Unanimously (Stan Nader was not present for vote)**

Public Hearing / Action: Item 7

- 7. Amendment of Open Burning Rules 301, 302, and 305 to Prohibit the Burning of Waste from the Growing and Processing of Cannabis.** *1) Conducted a Public Hearing regarding the adoption of proposed amendments to Rule 301, Nonagricultural Burning Smoke Management, Rule 302, Agricultural Waste Burning Smoke Management, and Rule 305, Residential Allowable Burning; 2) Adopted Resolution #18-10, thereby approving Rule 301, Rule 302, and Rule 305, as amended and as shown in Resolution Exhibits I, II, and III, respectively; and 3) Adopted and approved the Findings in the Staff Report.*

Mr. Todd Nishikawa presented the information regarding the proposed rule amendments. Recent developments regarding cannabis provided the impetus for updates to address cannabis waste burning and the Iowa Hill burn barrel exemption. He provided information on the amendments which are being made to each of the rules.

Rule 301, Non-Agricultural Burning Smoke Management, applies to various types of prescribed burning for which a District burn permit is required. The proposed Rule 301 amendment restricts the burning of cannabis waste in the same manner as poison oak and oleander burning are managed – by requiring a burn permit and special conditions as necessary.

Rule 302, Agricultural Waste Burning Smoke Management, applies to burning associated with the raising of crops and animals. Rule 302 is amended to prohibit the burning of waste from commercial cannabis growing, but not from the burning of waste from industrial hemp.

Rule 305, Residential Allowable Burning, applies to vegetative waste grown on the premises of a residential dwelling. Rule 305 is amended to prohibit the burning of cannabis waste from residential, non-commercial, growing. The definition of cannabis includes industrial hemp, so that enforcement staff do not need to discern whether the burned waste is industrial hemp or waste from cannabis grown for recreational or medicinal purposes. In addition, Rule 305 is amended to allow the continued use of burn barrels in the Iowa Hill area, if the recently submitted request for a continued exemption from the residential burning is approved by the California Air Resources Board (CARB).

Mr. Nishikawa reviewed the reasons the District is seeking the restrictions on cannabis waste burning; the state's cannabis possession law; and disposal options for residential cannabis waste.

Mr. Nishikawa confirmed that the District completed the required public notice and notices to CARB, in addition to posting on the District's website, and sending advisory notices to Placer County departments, city and town managers, code enforcement staff, and fire agencies, requesting comment. No comments were received.

Director Berlant asked if the District notified the Sheriff's department regarding these cannabis burning restriction changes. Mr. Nishikawa responded that the District has had discussions with the Sheriff's department regarding response to marijuana odor complaints and the growing/possession issues associated with that, and regarding issues with transportation and disposal by residents. These rule amendments do not impose any new restrictions on the Sheriff's department's disposal of cannabis (such as via open burning).

Motion: Berlant/Duncan

Action: **Berlant, Harvey, Alvord, Patterson, and Duncan Approved Item 7 Unanimously (Stan Nader was not present for vote)**

Information: Item 8

- 8. Response to Nuisance Complaints for Odor from Marijuana Growing and Processing.**
District staff presented information regarding how staff intends to work cooperatively with local jurisdictions to take a secondary position in support of their Code Enforcement staff in response to public complaints alleging nuisance from odor from marijuana (cannabis) growing and processing that is governed by local ordinances.

Mr. Bruce Springsteen spoke regarding the District's marijuana odor complaint response policy. He explained that marijuana growing and processing can produce very strong and unpleasant odor, and that complaints are expected to continue increasing due to recent state legalization of recreational-use, in addition to medical-use. The District's Rule 205, Nuisance, prohibits odors from bothering the public, and there is no exemption for marijuana growing and processing. The District's policy is to refer marijuana odor complaints to local jurisdictions' or Placer County's Code Enforcement divisions for investigation and resolution. The District will provide support to Code Enforcement efforts as requested.

No Action. Information Item Only.

Air Pollution Control Officer Report

A. APCO General Updates

Mr. White provided a wildfire monitoring update regarding the significant wildfire air quality impacts and health advisories that have been issued in conjunction with the County Health Officer. He noted that the District posts those updates on its website daily.

Mr. White also provided an update on the Lincoln air monitoring site relocation, which became necessary due to a requirement to move from the Lincoln Cemetery. He noted that the new site was expected to be operational in September.

Ms. Christiana Darlington provided an update regarding the District's recent engagement with the California Energy Commission related to climate change, forest health, fire impacts on utility infrastructure, and associated research funding opportunities.

B. Grants Update

Mr. White provided a review of the status of the implementation of the Carl Moyer and wood stove grant programs.

C. Fiscal Update – provided as part of FY 2018-19 budget

Meeting Adjournment at 4:41 p.m.

Minutes for this meeting will be presented for approval at the next regularly scheduled Board Meeting on October 11, 2018.

Minutes prepared by:



Shannon Harroun, Clerk of the Board

Minutes approved by Board of Directors:

Attest: _____
Clerk of the Board

Date